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*Equity and Excellence in Education*

OaklandSchools

TO: Senate Education Committee Member DATE: 10/4/11

FROM: Vickie Markavitch RE: SB 619
Superintendent, Oakland Schools

Thank you for the opportunity to testify last week. I appreciate your thorough and thoughtful attention to the important matters in front of you. I will not take more of your time with verbal testimony, but would like to bring to your attention information about virtual academies. I have excerpted findings from an important study completed by the Colorado news media.

- The I-News Network, a Colorado-based in-depth news consortium, and the nonprofit Education News Colorado, spent 10 months investigating what's really happening with thousands of Colorado K-12 students who try an online school.
- Colorado taxpayers will spend $100 million this year on online schools that are largely failing their elementary and high school students, state education records and interviews with school official's show.
- The investigation used previously unreleased Colorado Department of Education data to document the path of 10,500 students who were enrolled in the 10 largest online schools beginning in 2008.
- Half the online students wind up leaving within a year. When they do, they're often further behind academically than when they started.
- The I-News/EdNews analysis looked at test scores for online students who'd previously been in traditional brick-and-mortar schools, and found that scores dropped once students entered online schools.
- Online schools produce three times as many dropouts as they do graduates. One of every eight online students drops out of school permanently – a rate four times the state average.
- A representative from one of the state's largest online programs said that reasons for turnover include working with an at-risk student population that sees online learning as their last resort. However the I-News/EdNews analysis of state data shows that most online school students do not appear to be at-risk students.
- In addition most are not struggling academically when they leave their traditional schools. Among the 2,400 online students who had taken a state standardized reading test in a brick-and-motor school the year before, the analysis showed that more than half had scored proficient or better.
- The result: While online students fall further behind academically – their counterparts in the state's traditional public schools are suffering too, because those schools must absorb former online students, while the virtual schools and their parent companies get to keep the state funding.

Thank you for reviewing this data as you consider SB 619. The full news release which can be accessed from Edweek.org is attached if you desire more detail.

Published Online: October 3, 2011

# Public Schools Also Lose When Online Students Fail

**By Burt Hubbard, I-News Network, & Nancy Mitchell, Education News Colorado**



Colorado taxpayers will spend $100 million this year on online schools that are largely failing their elementary and high school students, state education records and interviews with school officials show.

The money includes millions in tax dollars that are going to K-12 online schools for students who are no longer there.

The result: While online students fall further behind academically—their counterparts in the state's traditional public schools are suffering, too, because those schools must absorb former online students, while the virtual schools and their parent companies get to keep the state funding.

Take the experience of high school senior Laura Johnson.

In the tiny Florence School District outside Pueblo, Johnson was one of 39 students who left Florence High School last year to sign up for online classes with **GOAL Academy**, one of the largest online charter schools in Colorado.

By January, she was back at Florence, disillusioned by the online experience and trying to make up for her lost time in class. She was joined by a dozen of her former online classmates.

Those 39 students who left Florence High School for GOAL represented one of every 10 students in the school. When they left, so did nearly a quarter million dollars in state funding—the equivalent of four to five teachers' salaries. When a dozen of the students returned to Florence High mid-year, the funding to educate them did not come with them. GOAL got to keep it.

One in a three-part series on virtual schools and their impact on students and public education in Colorado. The investigative series was written by Education News Colorado and the I-News Network.

The **I-News Network**, a Colorado-based in-depth news consortium, and the nonprofit **Education News Colorado**, spent 10 months investigating what's really happening with thousands of Colorado K-12 students who try an online school each year.

The investigation used previously unreleased Colorado Department of Education data to document the path of 10,500 students who were enrolled in the 10 largest online schools beginning in 2008. Those students accounted for more than 90 percent of all online students for the 2008-09 school year. The analysis found that in Colorado:

• Half the online students wind up leaving within a year. When they do, they're often further behind academically than when they started.

• Online schools produce three times as many dropouts as they do graduates. One of every eight online students drops out of school permanently—a rate four times the state average.

• Millions of dollars are going to virtual schools for students who no longer attend online classes.

• The churn of students in and out of online schools is putting pressure on brick-and-mortar schools, which then must find money in their budgets to educate students who come from online schools mid-year.

**"We're bleeding money to a program that doesn't work**," State Sen. President Brandon Shaffer, D-Longmont, said after being informed of the findings earlier this month. Last week, Shaffer asked the state audit committee for an emergency audit of online schools to be completed before the state legislature meets in January.

Shaffer, who is running for Congress, said the public should know about the findings, especially given the state's budget woes.

"We spend over $100 million a year on online schools now—in an environment where we're cutting $200 to $270 million a year from brick-and-mortar schools," Shaffer said.

**Student Attrition**

Officials with the online programs said a variety of factors contribute to the high rate of students leaving the programs.

Reasons for the turnover include working with an at-risk student population that sees online learning as their last resort, brief experimentation with a new learning process, and parents not being able to stay home to oversee their children's studies, said Heather O'Mara, executive director of Hope Online, one of the state's largest online programs.

"We are all so different, we are serving different audiences and students are enrolling for very different reasons," O'Mara said. "At Hope, we particularly target kids who are at risk, who have not been academically successful, not only at their previous school, probably several schools before that."

However, the I-News/EdNews analysis of state data shows that most online school students do not appear to be at-risk students. Only about 120 students of the more than 10,000 entering online programs last year were identified as previous dropouts returning to school, and only 290 entered online schools after spending the prior year in an alternative school for troubled youth.

In addition, most are not struggling academically when they leave their traditional schools. Among the 2,400 online students who had taken a state standardized reading test in a brick-and-motor school the year before, the analysis showed that more than half had scored proficient or better.

The analysis also looked at dropouts—those students who leave school permanently. In Colorado's online schools, dropouts outnumber graduates by three to one. That's the reverse of the statewide average, where graduates outnumber dropouts by three to one.

**Fairness in Funding**

Online schools are thriving—in Colorado and nationally—using technology to educate students who need flexible scheduling or struggle in conventional classrooms. In Colorado, online schools grew seven times faster than conventional schools last year.

Students take classes, usually on computers provided by the online schools, and typically use email or virtual chats to get teacher support. Some schools require a set amount of teacher contact, live or virtual; others do not.

Online schools may be created as district-run programs or they can operate through charters or contracts with a school district or the state **Charter School Institute**. They can serve students in a single district or across the state.

Colorado's first online school opened in 1995, with 13 students—mostly from Denver and most on academic probation. It was headquartered in the San Luis Valley's Monte Vista School District.

Online schools were popular in small, rural districts, which typically get higher per-pupil funding. That changed in 2007 and online students are now funded at a flat rate of $6,228, slightly less than average per-pupil funding statewide.

Schools get that set amount of per-pupil funding based on student counts taken at the beginning of October each year. This year, Colorado expects to spend $100 million in state funds for some 18,000 students to attend online schools.

In each of the past three years, however, half the online students have left their schools within a year.

State documents make it difficult to pinpoint exactly when students leave a school. However, a comparison of the October student count data and districts' end-of-year data, shows the number of mid-year transfers was at least 1,000 students a year – and perhaps many more. That means at least $6 million annually went to online schools for students who weren't there.

Of 10,500 students in the largest online programs in fall 2008, more than half—or 5,600—left their virtual schools by the fall of 2009. They were more than replaced by 7,400 new recruits by that fall. That new group also experienced high turnover, with more than a third of the students leaving by the end of that school year, the analysis showed.

By October 2010, only about a quarter of the students remained in their same online program after two years.

The student turnover in the programs concerns state educators and lawmakers who fear profit and overzealous student recruitment are taking precedence over educating students.

"There isn't much effort put into keeping those kids in that school," Shaffer, the state senate president, said. "It's all about boosting their numbers for the count date, then forget about the kids."

**Student Recruiting**

Randy DeHoff, who spent 12 years on the State Board of Education before becoming GOAL Academy's director of strategic planning last November, said online schools need to help students determine who is likely to succeed in an online learning environment.

"One of the things the online schools need to do a better job of in that recruitment and enrollment phase is trying to give a student a real clear idea of what an online program's about (and) what their responsibilities are," DeHoff said.

Diana Sirko, deputy commissioner of education in Colorado, said she intends to put together a task force to look at the problems created by skyrocketing online enrollment, especially the high turnover. It could lead the state to ask for legislative changes, she said.

"I think it's problematic for the student in terms of we know that mobility contributes to a lack of success for students," Sirko said. "What we hear from some of the school districts who receive children halfway through the year who've started in online is there may have been a two or three-month gap as they left one and began the next."

The I-News/EdNews analysis looked at test scores for online students who'd previously been in traditional brick-and-mortar schools, and found that scores dropped once students entered online schools. For example, 59 percent had scored proficient or above in reading while in a brick-and-motor school. But after a year in online school, only 51 percent achieved that score.

Top officials at some school districts said they have seen firsthand how the turnover has hurt their students and their finances.

The St. Vrain School District in Longmont lost 70 students to GOAL last year after heavy recruiting by the online program. St. Vrain Superintendent Don Haddad said GOAL recruiters driving around in recreational vehicles emblazoned with GOAL's logos made pitches to high school students during their school lunch hours. GOAL also has storefront operations in many malls along the Front Range.

DeHoff, the former state education board member now at GOAL, said the emphasis on recruiting stems from an effort to reach students not being served by traditional schools. GOAL targets at-risk students.

"We're not trying to steal kids from districts, we're there serving the kids that districts either can't or don't want to serve," DeHoff said.

Many of GOAL's recruited students returned to St. Vrain schools in the middle of the year, behind in school, Haddad said. For many of the returning students, their time in the online program was "wasted," he said.

"These institutions, what they do is borderline unethical behavior in my mind," said Haddad, who supports online learning as a tool. "It's a money making proposition and they have no problem sending the kids back after the October count. The sales job they get up front, it's a travesty."

Ken Crowell, executive director of GOAL Academy, strongly disagreed with Haddad's assessment.

"Those are really tough words coming from the superintendent," Crowell said. "I think he is definitely mistaken. That's unfortunate."

Haddad said the district lost more than $400,000 in state funding last year to GOAL's recruitment of students.

Florence High School Principal Steve Wolfe said one in every 10 students at his school left for GOAL online last year after a summer recruiting blitz by a popular former Florence teacher hired by GOAL after his contract was not renewed. The GOAL recruitment included barbecues in the town park for prospective students, Wolfe said.

About a dozen of the students came back after Oct. 1, the official state count day to determine per-pupil funding. GOAL got the funding; Florence got the students back. Then the school had to find ways to help them catch up.

**Differing Results**

Laura Johnson, one of the returning students, said she signed up for GOAL in July after her former science teacher promised free college classes. But she was back at Florence High School by January with no credits earned.

"I feel like I wasted an entire semester of my life," said Johnson, now working overtime to boost her grades in hopes the gap in her transcript will be less noticeable to colleges.

She said technology problems kept her from starting classes until September and the social isolation quickly convinced her that online was not a good fit.

"I don't think it's healthy for someone to stare at a computer screen for five hours straight," she said. "I think the most difficult part about it was trying to keep yourself on it."

However, for other students, the online programs are a boon.

Janette Lopez, 19, is a teen mom who said she dropped out of Pueblo schools because of childcare issues.

Lopez enrolled in the GOAL online program which assigns students to teachers based on their geographic area. It has opened 13 "drop-in centers" statewide where students and teachers can meet.

The model has worked for Lopez, whose son is now 4. Lopez was assigned a teacher who came to her home and who fit classes around a second pregnancy.

"I really wanted my education and I just went for it," said Lopez, who plans to graduate in December and attend community college. "She was right there with me."

Some superintendents bristle over the fact that some online programs are sponsored by other school districts that typically receive a portion of their per-pupil funding.

For example, Hope Online is sponsored by the Douglas County School District, but few of the districts students use the Hope program, the analysis found. Hope pays Douglas County about $2 million a year for support services such as professional development and special education.

That irks Randy Miller, superintendent of the Eaton School District in Weld County. His district lost a battle to keep a Hope online school out with the argument it wasn't needed.

"How does Douglas County know more about what is needed in Eaton than our own board?" Miller said.

Amy Anderson was recently named to oversee innovation and choice, including online schools, for the Colorado Department of Education. She said she understands the usefulness of online programs for students such as Lopez, but worries about the turnover.

"There are other schools that are just churning kids and I don't feel that is good for kids," Anderson said. "So how can we prevent that? Those are the challenges that the authorizers of online charters are starting to talk about."

In the meantime, some Colorado school districts—including both Florence and St. Vrain—have chosen their own way to combat losses to the online schools: They're starting their own online programs.